tional study to assess the effect of non-tariff barriers on world trade.

We have already begun action in the General Agreement on Tariffs and Trade and other international organizations to deal with some of these non-tariff barriers.

Efforts such as these are an important element in our trade policy. All sides must be prepared to dismantle unjustified or unreasonable barriers to trade.

Reciprocity and fair play are the essential standards for international trade. America will insist on these conditions in all our negotiations to lower non-tariff barriers.

Third, we must develop a long-range policy to guide American trade expansion through the 1970's.

I have directed the President's Special Representative for Trade Negotiations to make an intensive study of our future trade requirements and needs.

I would hope that Members of the Congress and leaders of Labor, Business and Agriculture will work with the Executive Branch in this effort. To help develop the foundations of a far-reaching policy, I will issue an Executive Order that establishes a wide basis for consultation and assistance in this important work.

AN EXPANDING ERA IN WORLD TRADE

The proposals in this message have been shaped to one purpose—to develop the promise of an expanding era in world trade.

We started on this road three and a half decades ago. In the course of that journey, the American farmer, the businessman, the worker and the consumer have benefitted.

The road ahead can lead to new levels of prosperity and achievement for the American people. The Trade Expansion Act of 1968 will speed us on the way.

I urge the Congress to give this important measure its prompt and favorable consideration.

LYNDON B. JOHNSON.

THE WHITE HOUSE, *May 28, 1968.*

E-W

SECTION-BY-SECTION ANALYSIS OF TRADE EXPANSION ACT OF 1968 MADE BY MR. MILLS OF ARKANSAS

(Mr. ROONEY of New York asked and was given permission to address the House for 1 minute, and to revise and extend his remarks, and include extraneous material.)

Mr. ROONEY of New York. Mr. Speaker, in connection with the message of the President of the United States which has just been read, the distinguished gentleman from Arkansas [Mr. MILLS], chairman of the House Committee on Ways and Means, has prepared a bill to continue the expansion of international trade, and thereby to promote the general welfare of the United States, and for other purposes, which he will introduce today.

In reference to the bill that he will introduce today, the gentleman from Arkansas has asked unanimous consent that there may be inserted in the RECORD at this point a section-by-section analysis of the so-called Trade Expansion Act of 1968. I do so in his behalf.

The SPEAKER pro tempore (Mr. PRICE of Illinois). Is there objection to the request of the gentleman from New York?

There was no objection.

The document referred to follows:

SECTION-BY-SECTION ANALYSIS OF TRADE EXPANSION ACT OF 1968

The Trade Expansion Act of 1968 consists of five titles. Title I (sections 101–102) is entitled "Short Title and Purposes", title II (sections 201–202) "Trade Agreements", title III (sections 301—304) "Adjustment Assistance to Firms and Workers", title IV (sections 401–404) "Non-Tariff Barriers to Trade", and title V (section 501) "Adjustment Assistance to Firms and Workers in Automotive Industry".

TITLE I—SHORT TITLE AND PURPOSES

Section 101. Short title

This section provides that the short statutory title of the Act is the "Trade Expansion Act of 1968".

Section 102. Statement of purposes

This section sets forth the three basic purposes of the Act. The first purpose is to continue and strengthen the trade agreements program of the United States. The second purpose is to establish a viable program of adjustment assistance for firms and workers affected by imports. The third purpose is to promote the reduction or elimination of non-tariff barriers to trade.

TITLE II—TRADE AGREEMENTS

Section 201. Basic authority for trade agreements

Subsection (a) amends section 201(a)(1) of the Trade Expansion Act of 1962 (TEA) so as to authorize the President to enter into trade agreements with foreign countries until July 1, 1970. Subsection (b) makes clear that, in proclaiming any reduction in a rate of duty pursuant to a trade agreement, the President is limited by section 201(b)(1) of the TEA to a reduction of not more than 50% of the rate existing on July 1, 1962.

As a result, the President may exercise whatever portion of his authority to reduce rates by as much as 50% which he did not use by the close of the Kennedy Round of trade negotiations. He is not given any authority to eliminate rates of duty pursuant to section 202, 211, 212, or 213 of the TEA.

In fact, the authority provided by section 201 of the bill will not be used in any major bilateral or multilateral tariff negotiation. Instead, it is intended primarily for cases where the United States finds it necessary to increase a rate of duty which is subject to a tariff concession. In such cases, the United States would offer compensatory tariff concessions to the countries affected by the rate increase, since failure to do so would probably lead to retaliatory action on the part of such countries.

All the requirements of the TEA normally applicable to the exercise of the authority in section 201 of the TEA will apply, including the pre-negotiation requirements of chapter 3 of title II of the TEA and the staging requirement of section 253 of the TEA.

Section 202. General Agreement on Tariffs and Trade

This section amends the TEA by adding a new section 244. This new section authorizes annual appropriations to finance each year's U.S. contribution to the budget of the GATT. This contribution is presently financed from the appropriation made to the Department of State and entitled "International Conferences and Contingencies."

TITLE III—ADJUSTMENT ASSISTANCE TO FIRMS AND WORKERS

Section 301. Petitions and determinations

In general, section 301 amends section 301 of the TEA in two respects. First, it liberalizes the criteria of eligibility of individual firms and workers to apply for adjustment assistance. Among other changes, injury will be related to increased imports whether or not a trade agreement concession was involved.

Second, it provides that, instead of the Tariff Commission, the President will make the substantive determinations of eligibility. The Tariff Commission's function will be to gather and supply to the President the relevant facts to assist him in making such determinations.

Subsection (a) amends section 301 of the TEA to change the title of the section from "Tariff Commission Investigations and Reports" to "Petitions and Determinations", consistent with the subsequent amendments to section 301.

Subsection (b) amends section 301(a)(2) of the TEA by substituting "President" for "Tariff Commission" in the two places it appears. Accordingly, petitions for a determination of eligibility to apply for adjustment assistance which are filed by a firm or a group of workers are to be filed with the President. It is expected that the President will delegate this function and his other functions under this section. In the case of a group of workers, it is intended that a group of 3 or more workers in a firm may qualify as a petitioner.

Subsection (c) amends section 301(a)(3) of the TEA so as to provide that the Tariff Commission shall transmit to the Secretary of Commerce copies only of petitions for tariff adjustment, since the Tariff Commission will no longer be receiving petitions for adjustment assistance.

Subsection (d) amends section 301(c) of the TEA so as to provide new criteria of eligibility of firms and workers to apply for adjustment assistance and to substitute the President for the Tariff Commission for the purpose of determining whether the criteria are satisfied.

Under the amendment, new section 301(c)(1) of the TEA provides that in the case of a petition by a firm for a determination of eligibility to apply for adjustment assistance under chapter 2 of title III of the TEA, the President shall determine whether increased quantities of imports on an article directly competitive with an article produced by the firm have been a substantial cause of serious injury, or the threat thereof, to such firm.

Similarly, new section 301(c)(2) of the TEA provides that in the case of a petition by a group of workers for a determination of eligibility to apply for adjustment assistance under chapter 3 of title III of the TEA, the President shall determine whether increased quantities of imports of an article directly competitive with an article produced by such workers' firm, or an appropriate subdivision thereof, have been a substantial cause of unemployment or underemployment, or the threat thereof of a significant number or proportion of the workers of such firm or subdivision.

The term "increased quantities of imports" is intended to require that, if quantities of imports in a recent period reflect an absolute increase over quantities of imports in a representative base period, the total quantity of imports in such recent period shall be taken into account. Thus, if quantities of imports in a representative base period were 8 million units and the quantities in a recent period were 10 million units, the quantities of imports to be considered would be 10 million units.

The "directly competitive" imported article is intended to mean either an article which is like the domestic article and is therefore necessarily directly competitive with it, or one which is unlike the domestic article but nevertheless competes directly with it.

In cases where there is more than one directly competitive imported article, it is intended that the quantities of imports of the several imported articles shall be taken together for purposes of determining whether there have been increased quantities of imports.

By the use of the words "have been", it is intended that the increased quantities of imports shall have occurred in the recent past.

With respect to the causal relationship between increased quantities of imports and injury, or the threat thereof, the term "substantial cause" is intended to require the demonstration of an actual and considerable cause. A substantial cause in any specific case need not, however, be greater than all other causes combined nor even greater than any other single cause.

In the case of a firm, in determining serious injury, it is intended that all relevant economic factors shall be considered, including idling of productive facilities, inability to operate at a level of reasonable profit, and unemployment or underemployment.

In the case of a group of workers, it is intended that in most cases unemployment or underemployment shall be found where the unemployment or underemployment, or both, in a firm, or an appropriate subdivision thereof, is the equivalent of total unemployment of 5% of the workers or 50 workers, whichever is less. At the same time, there are many workers in plants employing fewer than 50 workers. Accordingly, there may be cases where as few as 3 workers in a firm, or an appropriate subdivision thereof, would constitute a significant number or proportion of the workers.

It is intended that an "appropriate subdivision" of a firm shall be that establishment in a multi-establishment firm which produces the domestic article in question. Where the article is produced in a distinct part or section of an establishment (whether the firm has one or more establishments), such part or section may be considered an appropriate subdivision.

New section 301(c)(3) of the TEA provides that the Tariff Commission shall assist the President in making determinations with respect to petitions filed by firms or groups of workers. That is, the President shall promptly transmit to the Tariff Commission a copy of each petition filed by a firm or group of workers under new section 301(a)(2) of the TEA. Not later than 5 days after the date on which the petition is filed, the President shall request the Tariff Commission to conduct an investigation relating to questions of fact relevant to his determinations under new sections 301(c)(1) and (2) of the TEA and to make a report of the facts disclosed by such investigation. In his request, the President may specify the particular kinds of data which he deems appropriate. This is not intended, however, to preclude the Tariff Commission from making an investigation of, and including in its report, such additional data as it considers relevant. Upon receipt of the President's request, the Tariff Commission shall promptly initiate the investigation and promptly publish notice thereof in the Federal Register.

It is intended that the President, and not the Tariff Commission, shall make the determinations under sections 301(c)(1) and (c)(2) with respect to firms and groups of workers. Accordingly, the Tariff Commission is not to include in its report conclusions, opinions, or judgments which are tantamount to the determinations. Instead, it is to present the facts and in a manner which will render the report useful to the President. It is recognized that the Tariff Commission will have to reach conclusions with respect to such subsidiary questions as what constitutes the firm or an appropriate subdivision thereof, what product is directly competitive, and what is the appropriate base period, in order to gather the relevant facts. In any case, however, the President has the final authority to make a decision with respect to any element which enters into the determinations under sections 301(c)(1) and (c)(2), and 302(c), (d), and (e).

Subsection (e) amends section 301(d)(2) of the TEA to provide that, in the course of any investigation under new section 301(c)(3) of the TEA, the Tariff Commission shall hold a public hearing if requested by the petitioner or any other person showing a proper interest. However, such a request must be made not later than 10 days after the date of the publication of its notice under section 301(c)(3). The Tariff Commission is to afford interested persons an opportunity to be present, to produce evidence, and to be heard at such hearing. It is understood that a public hearing may be held in any case on the Tariff Commission's own motion.

Subsection (f) amends section 301(f)(1) of the TEA to provide that the Tariff Commission shall be under an affirmative obligation to include any dissenting or separate views only in its reports concerning petitions for tariff adjustment.

Subsection (g) amends section 301(f)(3) of the TEA to provide that the report of the Tariff Commission of the facts disclosed by its investigation under new section 301(c)(3) of the TEA with respect to a firm or group of workers shall be made at the earliest practicable time, but not later than 60 days after the date on which it receives the request of the President under new section 301(c)(3).

Section 302. Presidential action after Tariff Commission reports

In general, section 302 amends section 302 of the TEA to provide for Presidential action following receipt of the Tariff Commission's factual report with respect to a petition for adjustment assistance.

Subsection (a) amends section 302 of the TEA to change the title of the section from "Presidential Action After Tariff Commission Determination" to "Presidential Action After Tariff Commission Reports", consistent with the amendments to section 301 of the TEA.

Subsection (b) and (c) each makes a similar amendment to section 302(b)(1) and (2), respectively, of the TEA in order to conform with the criteria of eligibility in new sections 301(c)(1) and (2) of the TEA.

Under section 302(a) of the TEA, if the Tariff Commission makes an affirmative finding with respect to a petition for tariff adjustment filed on behalf of an entire industry, the President may furnish increased import protection (e.g., increased tariffs or quotas) to the industry involved, and/or provide that the firms and workers in the industry may request the Secretaries of Commerce and Labor, respectively, for certifications of eligibility to apply for adjustment assistance. Under section 302(b) of the TEA, a firm or group of workers in the industry must be certified as eligible to apply for adjustment assistance if it demonstrates that the increased imports (which the Tariff Commission has determined in the case of the industry to result from concessions granted under trade agreements) have caused serious injury to the firm, or unemployment or underemployment of the workers, or the threat thereof, as the case may be.

The amendments to sections 302(b)(1) and (2) of the TEA make it clear that it shall be sufficient, for purposes of section 302(b) of the TEA, for the firm or group of workers to demonstrate that the increased imports have been a substantial cause of serious injury or unemployment or underemployment, or the threat thereof. In this way, whether a firm or group of workers files an original petition for adjustment assistance under section 301(a) of the TEA, or seeks to become eligible under section 302(b) of the TEA for adjustment assistance following an affirmative finding of the Tariff Commission with respect to an industry under section 301(b) of the TEA, the same degree of causality to be ascribed to increased imports will apply.

Subsection (d) amends section 302(c) of the TEA to provide four new paragraphs. New paragraph (1) provides that, after receiving a factual report of the Tariff Commission, the President shall make his determination under new section 301(c)(1) or (c)(2) at the earliest practicable time, but not later than 30 days after the date on which he receives the Tariff Commission's report, unless, within such period, the President requests additional factual information from the Tariff Commission. In this event, the Tariff Commission shall, not later than 25 days after the date on which it receives the President's request furnish such additional factual information in a supplemental report. The President shall then make his determination not later than 15 days after the date on which he receives such supplemental report.

New paragraph (2) provides that the President shall promptly publish in the Federal Register a summary of each determination under new section 301(c) of the TEA with respect to any firm or group of workers.

New paragraph (3) provides that, if the President makes an affirmative determination under section 301(c) of the TEA with respect to any firm or group of workers, he shall promptly certify that such firm or group of workers is eligible to apply for adjustment assistance.

New paragraph (4) provides that the President is authorized to exercise any of his functions with respect to determinations and certifications of eligibility of firms or groups of workers to apply for adjustment assistance through such agency or other instrumentality of the U.S. Government as he may direct. Such agency or instrumentality may issue rules or regulations pursuant to section 401(2) of the TEA.

Section 303. Tax assistance to firms

Section 303 amends section 317(a)(2) of the TEA to conform to the new section 301(c)(1) of the TEA.

Section 304. Adjustment assistance to workers

Section 304 amends section 337 of the TEA to provide that sums appropriated pursuant to section 337 for adjustment assistance for workers may be used to pay the cost of training provided to adversely affected workers entitled to trade readjustment allowances under chapter 3 of title III of the TEA, to the extent that training resources provided under any Federal law would not otherwise be available to such workers.

TITLE IV—NONTARIFF BARRIERS TO TRADE

Section 401. Elimination of American selling price system

In general, this section provides for the elimination of the American selling price (ASP) system as a method of customs valuation. The products now subject to the ASP system are benzenoid chemicals, canned clams, wool-knit gloves, and rubber-soled footwear. As a result of the elimination of this system, these products will no longer be subject to ASP, if competitive with a domestic article, or, in the case of benzenoid chemicals, to United States value as the next basis of value, if not so competitive. Instead, they will be subject to export value (or alternative bases of value in the absence of export value) in accordance with the provisions of section 402 of the Tariff Act of 1930 (19 U.S.C. 1401a).

Subsection (a) authorizes the President to proclaim such modifications of the Tariff Schedules of the United States (TSUS) as are required or appropriate to carry out two agreements concluded as part of the Kennedy Round. The first agreement is the multilateral Agreement Relating Principally to Chemicals, Supplementary to the Geneva (1967) Protocol to the General Agreement on Tariffs and Trade. Under this Agreement, the President undertakes to use his best efforts to obtain promptly such legislation as is necessary to enable the United States to

eliminate the ASP system of valuation, as provided in Part II of the Agreement. Part II provides new column 1 rates for benzenoid chemicals, which shall be based on the first three alternative bases of valuation (export value, United States value, or constructed value) provided for in section 402 (as opposed to section 402a of the Tariff Act of 1930 (19 U.S.C. 1402)). Part II also provides additional tariff concessions by the United States on chemical and related articles not subject to the ASP system. Parts III, IV, and V of the Agreement provide the concessions with respect to tariff and nontariff barriers which the other parties to the Agreement have undertaken to make if the ASP system is eliminated.

The second agreement is the bilateral agreement with Japan, which consists of an exchange of notes. The U.S. note provides that the President is prepared to use his best efforts to obtain promptly such legislation as is necessary to enable the United States to eliminate the ASP system of valuation as it relates to canned clams and wool-knit gloves. The attachment to the U.S. note sets out the new column 1 rates for these products, which shall be based on export value (or alternative bases of value in the absence of export value) in accordance with section 402 of the Tariff Act of 1930. The Japanese note provides the tariff concession which Japan is prepared to make if the ASP system is eliminated.

Subsection (b) concerns the last class of products now subject to the ASP system—rubber-soled footwear. These products were not included in any Kennedy Round agreement providing for the elimination of ASP. Accordingly, paragraph (1) authorizes the President to enter into an agreement with respect to rubber-soled footwear. This agreement would provide for two new items in the TSUS to replace the present single item covering such footwear. The two new article descriptions were set forth by the Tariff Commission in its report of August, 1966, concerning investigation number 332-47. In addition, the agreement would provide that the rates of duty for the two new items shall be based on export value (or alternative bases of value in the absence of export value) in accordance with section 402 of the Tariff Act of 1930.

Paragraph (2) authorizes the President to proclaim such modifications of the TSUS as are required or appropriate to carry out such agreement, so long as two conditions are met. First, the modifications must not become effective earlier than January 1, 1971. Second, the new rates of duty for column 1 must not be lower than the rates specified in the Act.

Subsection (c) provides that, in a proclamation issued pursuant to section 401, the President is authorized to simplify the TSUS by consolidating article descriptions, but without changing rates, with respect to articles which will be subject to full concession rates of duty (i.e. the final rates set out in the applicable agreements) that are identical to one another in column numbered 1 and to rates of duty that are identical to one another in column numbered 2. Any such consolidation shall become effective on the date the full concession rates become effective for such articles. This subsection is designed to ensure that the President has the authority to consolidate provisions bearing the same rates of duty following the elimination of the ASP system and thereby to simplify customs administration.

Subsection (d) authorizes the President at any time to terminate, in whole or in part, any proclamation issued pursuant to section 401.

Section 402. Application of related provisions

In general, this section provides for the treatment of column 1 rates of duty proclaimed pursuant to section 401 under three related provisions of law.

Subsection (a) is intended to ensure that the present rates of duty based upon ASP will not continue to qualify as rates existing on July 1, 1962, for purposes of the tariff-reducing authority in the TEA even after the ASP system is eliminated. In order to avoid such a possibility, subsection (a) deals with section 256(4) of the TEA, which defines the term "existing on July 1, 1962" as it applies to the 50% limitation on tariff reductions under section 201 of the TEA. Subsection (a) provides that for purposes of section 256(4) of the TEA, the column 1 rates existing on July 1, 1962, shall, in effect, be two times the full concession rates (i.e. the final rates set out in the applicable agreements) proclaimed pursuant to section 401. Accordingly, if, for example, one of the new column 1 rates were increased and the President subsequently wished to reduce it under section 201 of the TEA, he could reduce it to a level no lower than the actual full concession rate.

Subsection (b) provides that a rate of duty proclaimed pursuant to section 401 shall be treated as a concession granted under a trade agreement for purposes of the provisions of title III of the TEA related to tariff adjustment. In particular, this would permit an industry to file a petition with the Tariff Commission alleging, in effect, that a rate of duty proclaimed pursuant to section 401 has been the major cause of increased imports and that such increased imports have been the major cause of serious injury to that industry.

Subsection (c) provides that a rate of duty proclaimed pursuant to section 401 shall be treated as a rate of duty proclaimed pursuant to a concession granted in a trade agreement for purposes of general headnote 4 of the TSUS. As a result, by operation of paragraph (b) of general headnote 4, during such time as a column 1 rate proclaimed pursuant to section 401 is, for a few benzenoid chemicals, higher than the column 2 rate, the column 2 rate will in effect be increased to the level of the column 1 rate. Moreover, by operation of paragraph (d) of general headnote 4, if, for example, a full concession rate proclaimed pursuant to section 401 were terminated under section 402, the column 2 rate would apply.

Section 403. Consequential amendments of tariff schedules of United States

In general, this section makes three kinds of amendments to the TSUS which are consequential upon the elimination of the ASP system. These statutory amendments relate to the four parts of the TSUS providing for the four categories of articles subject to the ASP system and complement the President's proclamatory modifications of the TSUS under section 401 with respect to column 1 rates of duty.

First, all four paragraphs of section 403 establish new column 2 rates for the four categories of articles now subject to ASP and, by an increase over the present column 2 rates in certain cases, adjust for the lower bases of customs valuation that will apply. Second, all four paragraphs of section 403 delete the headnotes in the TSUS which now provide for the application of the ASP system to both column 1 and column 2 rates applicable to the four categories of articles. Third, the last three paragraphs of section 403 in effect remove benzenoid chemicals, rubber-soled footwear, and wool-knit gloves, respectively, from the so-called "final list", whereby these articles are valued for customs purposes on the basis of section 402a of the Tariff Act of 1930 (canned clams are not subject to the "final list"). They do so by substituting for the ASP headnotes new headnotes providing that both column 1 and column 2 rates shall be based on export value (or alternative bases of value in the absence of export value) in accordance with section 402 of the Tariff Act of 1930.

Section 404. Consequential amendments of other provisions of Tariff Act of 1930

In general, this section makes several amendments to the Tariff Act of 1930 which relate to three sections of that Act dealing with the ASP system and which are consequential upon the elimination of the ASP system. These amendments all become effective as of the date the ASP system is eliminated pursuant to section 401 with respect to the last of the articles now subject to that system.

Paragraph (1) amends section 336 of the Tariff Act of 1930 to remove from that section the authority to use ASP in equalizing costs of production between a domestic article and a like imported article. Section 336 can be applied only to the few articles in the TSUS which are not subject to a tariff concession. This amendment ensures that, once the President has eliminated the ASP system with respect to all the articles now subject to that system, the ASP system cannot be esablished by Executive action with respect to any article.

Paragraphs (2) and (3) amend sections 402 and 402a, respectively, of the Tariff Act of 1930, in order to eliminate ASP as an alternative basis of valuation. This is a formal amendment eliminating the provisions concerning ASP in sections 402 and 402a which will in any case have become inoperative by virtue of the President's proclamations pursuant to section 401 and the amendments to the TSUS made by section 403(a).

TITLE V—ADJUSTMENT ASSISTANCE FOR FIRMS AND WORKERS IN AUTOMOTIVE INDUSTRY

Section 501. Adjustment assistance for firms and workers in automotive industry

Section 501 amends section 302(a) of the Automotive Products Trade Act of 1965 in order to extend the adjustment assistance program under that Act for firms and workers in the automotive industry for another three years, i.e. until July 1, 1971. Accordingly, petitions for a determination of eligibility to apply for adjustment assistance may be filed at any time during such additional three-year period.

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATION BILL, FISCAL YEAR 1969

Mr. ROONEY of New York. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 17522) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1969, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to 2 hours, the time to be equally divided and controlled by the distinguished gentleman from Michigan [Mr. CEDERBERG] and myself.

The SPEAKER pro tempore (Mr. PRICE of Illinois). Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House

on the State of the Union for the consideration of the bill H.R. 17522, with Mr. HAYS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from New York [Mr. ROONEY] will be recognized for 1 hour, and the gentleman from Michigan [Mr. CEDERBERG] will be recognized for 1 hour.

The Chair recognizes the gentleman from New York [Mr. ROONEY].

Mr. ROONEY of New York. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the total amount recommended by the committee for the Departments of State, Justice, Commerce, the judiciary and related agencies for the fiscal year 1969 is $2,050,981,500 in new obligational authority. This is an increase of $3,094,000 over the total in new obligational authority provided to date for the current fiscal year.

However, there are presently pending proposed supplementals for the current fiscal year totaling over $46,000,000, a large part of which is to cover pay act costs.

The total amount allowed for new obligational authority is $152,839,400 below the total of the budget estimates. This decrease is due principally to the fact that the request for authorization of the sale of $150,000,000 in participation certificates has been disallowed by the committee. The reduction in participation sales will not reduce fiscal year 1969 expenditures but could effect substantial reductions in future years.

The following table summarizes the amounts recommended in the bill in comparison with the budget estimates and the appropriations to date for fiscal year 1968:

Department or agency	New budget (obligational) authority, fiscal year 1968 (enacted to date)	Budget estimates of new (obligational) authority, fiscal year 1969	New budget (obligational) authority recommended in the bill	Bill compared with—	
				New budget (obligational) authority, fiscal year 1968 (enacted to date)	Budget estimates of new (obligational) authority, fiscal year 1969
(1)	(2)	(3)	(4)	(5)	(6)
Department of State	$385,667,400	$412,948,000	$388,802,600	+$3,135,200	−$24,145,400
Department of Justice	417,623,000	467,833,000	448,384,000	+30,761,000	−19,449,000
Department of Commerce	763,016,000	825,020,000	888,977,000	+125,961,000	+63,957,000
The Judiciary	93,947,100	101,006,900	98,679,500	+4,732,400	−2,327,400
Related agencies	387,634,000	397,013,000	226,138,400	−161,495,600	−170,874,600
Total	2,047,887,500	2,203,820,900	2,050,981,500	+3,094,000	−152,839,400

[1] Amounts have not been reduced to reflect reserves established pursuant to Public Law 90-218. Proposed supplementals are also excluded.

The comparatively small overall reduction is due to the recommended increase of $129,500,000 over the budget estimates for the Maritime Administration.

The majority of the committee members feel that despite the present national fiscal situation, it is imperative that adequate funds be provided for our merchant marine which plays a most important role in the national security of our country.

As the result of the action taken by the committee, it is estimated that expenditures for the fiscal year 1969 have been reduced by approximately $67,000,000.

The reductions in personnel resulting from the President's directive on overseas personnel together with reductions recommended by the committee will more than offset the new provisions allowed in the accompanying bill.

There are a substantial number of new positions provided for the Federal Bureau of Investigation. The committee, as I will point out when I get to the Department of Justice, has allowed the full amount requested for the Federal Bureau of Investigation.

Now with regard to the Department of State, the total amount recommended in the bill for the Department of State is $388,802,600. This is a decrease of $24,145,400 below the total amount of the budget estimates.

It is an increase of $3,135,200 in new obligational authority over the current fiscal year but is actually a decrease of $12,470,800 below the amount available for the current fiscal year since $15,606,000 was made available by transfer for the fiscal year 1968.

I think that at this point I should interpolate the statement that this bill represents the consensus of opinion or judgment of all the members who participated in the markup.

In this connection I should like to thank my fellow members of the subcommittee for their kindnesses and for their patience with me as their chairman, and thank them for the great cooperation and labor which they contributed in bringing to completion the bill that we have brought to the House floor for your consideration today.

However, among the various items which are reported in the pending bill there are certain items that I do not agree with, that is, I do not agree with the action of the majority of the committee. For example, in the markup I opposed the cut of the State Department's educational exchange program from $44,862,000 to $30 million. This is entirely too drastic a cut in my opinion.

In the Department of Justice, salaries and expenses, general legal activities, there was a cut from $24,852,000 requested to $23,598,000. In law enforcement assistance, there was a cut from $20 million to $7.5 million, which I likewise did not agree with. Nor did I agree with the action of the subcommittee with regard to the cut for the community relations service from $2,808,000 to $2,200,000.

I did not agree to the cut in economic development assistance for the Department of Commerce, which was reduced from $310,650,000 to $274,740,000.

As to the item for the Department of Health, Education, and Welfare, Office of Education, civil rights educational activities, I certainly did not agree with the cut from $14,976,000 to $10 million.

Finally, I also did not agree with the cut in the Equal Employment Opportunity Commission, salaries and expenses, which was reduced from a budget estimate request of $13,093,000 to $6,936,000.

I pointed these things out during the course of the markup, but the bill before you represents the action of the majority of the members of the committee.

There are other items which I thought the committee was too extravagant with. So we are here today with a bill which represents the consensus of the thinking of all the members of the subcommittee who participated in the markup.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ROONEY of New York. I yield to the gentleman from Iowa.

Mr. GROSS. With which items of the bill was the committee too extravagant? The gentleman said he thought they were too extravagant.

Mr. ROONEY of New York. I do not think this is an extravagant subcommittee. I do not think there is an extravagant member of this subcommittee.

Mr. GROSS. I must have misheard the gentleman.

Mr. ROONEY of New York. It could be.

Mr. GROSS. I thank the gentleman.

Mr. ROONEY of New York. With regard to the subject that my distinguished friend from Iowa [Mr. GROSS] and I have discussed for many years, the item known as representation allowances for the State Department, whereby we furnish enough money so that our diplomats will not run out of Martinis, Gibsons, highballs, and such things, the committee has not been extravagant but has allowed exactly the same amount as it allowed in the current fiscal year and in a number of years past. The gentleman might say, "If you are going to reduce the personnel of the Foreign Service overseas by 10 percent"—and this is happening—"you do not need this much money for representation allowances." But I would like to point out to the gentleman from Iowa that the people who are coming back from overseas under the 10-percent personnel reduction never get a smell of this sort of thing—never.

These are FSO-8's and FSO-7's who do not participate in the allocation of funds for representation allowances and entertainment.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ROONEY of New York. I yield to the distinguished gentleman from Iowa.

Mr. GROSS. Mr. Chairman, of course, the committee opened with $993,000 for the State Department, and then running through the bill I do not find very many agencies or departments that are overlooked in the matter of booze and entertainment.

Mr. ROONEY of New York. Oh no. The Small Business Administration